VZCZCXYZ0001 OO RUEHWEB

DE RUEHRH #1268/01 2311345
ZNY SSSSS ZZH
O 181345Z AUG 08
FM AMEMBASSY RIYADH
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9009
INFO RHEBAAA/DEPT OF ENERGY WASHINGTON DC IMMEDIATE
RUEHUNV/USMISSION UNVIE VIENNA IMMEDIATE 0026

S E C R E T RIYADH 001268

SIPDIS

FOR U/S DOBRIANSKY, ISN A-A/S MCNERNEY, OES/STC, AND NEA/ARP

E.O. 12958: DECL: 08/16/2018 TAGS: <u>PREL KNNP PARM ENRG SA</u>

SUBJECT: KACST PRESIDENT ON NUCLEAR ENERGY AND NONPROLIFERATION DEVELOPMENTS IN SAUDI ARABIA

REF: RIYADH 1237

Classified By: Charge d'Affaires a.i. Michael Gfoeller, for reasons 1.4 (b) and (d).

11. (U) This is an action request. Please see para nine.

12. (S) SUMMARY: POL/ECON counselor met with President of King Abdulaziz City for Science and Technology (KACST) Dr. Mohamed Al-Suwaiyel on August 12 following the announcement that the Saudi Council of Ministers approved bringing into force the safequards agreement and additional protocol (Reftel) to the Nuclear Non-Proliferation Treaty (NPT) that the Saudis signed in Vienna on June 16, 2005. Al-Suwaiyel confirmed the announcement and said he expected the SAG to deliver the letter bringing the safeguards agreement into force soon, though he indicated this might not happen until October. Suwaiyel welcomed the possibility of ISN Acting Assistant Secretary McNerney visiting in October, and he said he also would be happy to meet her in Vienna in the late September - early October timeframe, when he would be attending an IAEA meeting there. He expressed frustration that the U.S. and Saudi governments had not made progress on signing the science and technology agreement completed before President Bush's May 16-19 visit to Saudi Arabia. The KACST chief emphasized that his institution had money to spend and a strong desire to cooperate with the U.S. on S and T. END SUMMARY.

Cabinet approves taking the next step

13. (S) POL/ECON counselor met President of King Abdulaziz City for Science and Technology (KACST) Dr. Mohamed Al-Suwaiyel on August 12 following up on an announcement the previous day that the Saudi cabinet approved bringing into force the International Atomic Energy Agency (IAEA) safeguards agreement and additional protocol related to the Nuclear Non-Proliferation Treaty (NPT). Al-Suwaiyel confirmed that the Council of Ministers had approved the measures in a meeting chaired by the Crown Prince in Jeddah on August 11. When asked when the SAG might actually deliver the letter to the IAEA to bring the safeguards agreement into force, Suwaiyel said he expected the MFA to deliver it in the near future, but he gave no specific date. However, he cautioned that since the Saudi government and especially the Foreign Ministry would be operating on sharply reduced hours throughout August (for summer break) and September (for Ramadan), it was likely that a letter would not be delivered until early October. Suwaiyel pointed out that the Saudi Ministry of Foreign Affairs was one of the SAG's worst in terms of limiting hours and personnel during this period of reduced activity. Nevertheless, he explained that since this issue was a priority for King Abdullah, the final steps might be completed as early as late August. Shifting focus to the NEXT next steps

- ¶4. (S) Emboffs reminded the KACST president that the U.S.-Saudi MOU on nuclear cooperation would not enter into force until the Safeguards Agreement had done so, and we briefed Suwaiyel on our desire for Saudi Arabia to revise the "Small Quantities Protocol" and to begin discussing the possibility of a formal 123 agreement. Suwaiyel assured us that Saudi Arabia was tracking all 8,000 point sources of radioactive material in its country, as well as monitoring the nearly 20,000 people who worked with or were otherwise potentially exposed to radioactive material. He emphasized that Saudi Arabia tracked and recorded the origins of all such materials in order to ensure that all radioactive material would be exported from its country when it was no longer in use. He explained that the SAG was doing this for nonproliferation purposes but also to avoid having to worry about domestic disposal procedures.
- 15. (S) When asked, Suwaiyel responded he would be pleased to receive a visit by ISN Acting Assistant Secretary Patricia McNerney to Saudi Arabia in October. In addition, he mentioned he would be in Europe from late September to early October, in part to attend an IAEA meeting in Vienna. He said he would welcome meeting McNerney on the margins of this gathering and said although his schedule was not finalized, he planned to be in Vienna on September 27. He added that he wanted to use these visits to make tangible progress on bilateral cooperation.

## S and T agreement

16. (S) Suwaiyel, who as KACST president carries the rank of minister and serves as the SAG's chief official for science and technology matters, pivoted the discussion to the draft bilateral Science and Technology (S and T) cooperation agreement, which was completed just before President Bush's May 16-19 visit to Saudi Arabia but has yet to be signed. Suwaiyel expressed frustration that the agreement has notbeen signed yet since all substantive issues have been solved. He said his institution had money to spend and a strong desire to cooperate with the U.S. on S and T, and he urged Emboffs to ask the Department to send an appropriate delegation to Saudi Arabia to sign the agreement in the near future. The western-educated (Ph.D. in computer science from the University of Southern California) KACST chief emphasized his institution needed good news stories like an S and T agreement with the United States to continue growing in the "right" direction.

## Comment and action request

17. (C) COMMENT. Public reports of oil-rich Saudi Arabia pursuing civilian nuclear energy may strike some as a strange pursuit for their government, much less ours, to support. However, every barrel of oil the Kingdom uses to power a desalination or electricity-producing plant is a barrel that could instead be added to the global oil supply to be sold on the open market. The Saudis view this as an opportunity to earn more money by increasing oil exports (a frequent demand from consumers abroad) and to produce more electricity that can be used for domestic and regional economic development.

18. (S) More importantly for U.S. interests, the SAG announcement that it decided to approve the nuclear safeguards agreement represents a considerable victory for U.S. nonproliferation policy. It is also a significant international public symbol that there are alternatives to the Iranian path of nuclear subterfuge and that the U.S. can support the development of civilian nuclear energy in this part of the world. We concur with Suwaiyel's assessment that

the letter may not be delivered to the IAEA until October; we will follow up energetically with MFA to encourage its early delivery. For the moment, one or two other Gulf countries may be slightly ahead of Saudi Arabia on developing a civilian nuclear program; however, we believe KACST is much more likely to develop the human and material infrastructure necessary to support a full civilian program that a 123 agreement with the U.S. would allow. END COMMENT.

19. (S) Action request: Post requests information on ISN Acting Assistant Secretary McNerney's possible travel plans to relevant upcoming IAEA meetings and Saudi Arabia, as well as her willingness to meet Dr. Al-Suwaiyel. On S and T cooperation, Post recommends that Under Secretary for Global Affairs Dobriansky or her designee consider paying a visit to Saudi Arabia in October to formally sign the S and T agreement.

GFOELLER GFOELLER